CHAPTER 10
Contract Modifications and PD² Interface

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- **Contractor's Responsibility**
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CHAPTER 10: Contract Modifications

Overview

This chapter furnishes instructions for processing construction contract modifications and other changes to the **CWE** using the **Resident Management System (RMS).** The basic regulations governing this subject are contained in *Engineer Federal Acquisition Regulations (EFAR), Army Federal Acquisition Regulations (AFAR), Department of Defense Supplement to the FAR (DoD FAR)* and the *Federal Acquisition Regulations (FAR).* You are encouraged to review and follow you own District guidelines if a procedure or recommendation herein conflicts with your District policies.

Although most contracts will be modified or changed at some point in their life cycle, not all modifications require a **Change Request** and not all modifications directly affect the Construction Contractor. Modifications to each of the **CWE** elements will be discussed in this chapter, as well as those that impact our Contractors.

Definitions (FAR 43.1)

a. **Administrative Change**. Administrative change means a unilateral contract change, in writing, which does not affect the substantive rights of the parties (e.g., a change in the paying office or the appropriation data).

b. **Change Order**. Change order means a written order, signed by the contracting officer, directing the contractor to make a change that the Changes clause authorizes the contracting officer to order without the contractor's consent.

c. **Contract Modification**. Contract modification means any written change in the terms of a contract. Contract modifications are of the following types:

(1) Bilateral. A bilateral modification (supplemental agreement) is a contract modification that is signed by the contractor and the contracting officer. Bilateral modifications are used to:
(a) Make negotiated equitable adjustments resulting from the issuance of a change order;
(b) Definitize letter contracts; and

(c) Reflect other agreements of the parties modifying the terms of contracts.

(2) Unilateral. A unilateral modification is a contract modification that is signed only by the contracting officer. Unilateral modifications are used, for example, to:

(a) Make administrative changes;

(b) Issue change orders. (Note 1: This should now be considered a Notice to Proceed or any undefinitized modification according to FAR terminology.);

(c) Make change authorized by clauses other than a changes clause (e.g., Property clause, Options clause, Suspension of Work clause, etc.); and

(d) Issue termination notices.

d. Supplemental Agreement. Supplemental agreement means a contract modification that is accomplished by the mutual action of the parties. Once a change order has been definitized, price and time included, it becomes a supplemental agreement.

e. Claims (Proposal for Adjustment).

(1) Actual. A written demand seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under the contract. However, a written demand seeking the payment of money exceeding $50,000.00 is not a claim until certified as required under the Disputes Clause.

(2) Potential. Any field situation known to the Government that may be the basis for a future request from the contractor for a contract price and/or time adjustment, which does not warrant the initiation of a change order when the situation first becomes known.

(3) Dispute. A claim may originate as a dispute if submitted by the contractor under the Disputes Clause; or a Final Decision is requested; and/or certification is made. A dispute may evolve into a claim when it can't be settled and the contractor takes one or more of the above steps.

(4) Appeal. Although the contractor to raise an issue above the field level could use the term to apply to any effort, for the most part it refers to the appeal of the Contracting Officer's Final Decision to a Board or Court.

f. Negotiation Terms.

(1) Cost Analysis. Cost analysis (CA) means the review and evaluation of the separated cost elements, and proposed profit of: (a) a contractor's cost or pricing data, and (b) the decision factors applied in projecting from the contractor's data to the estimated costs, in order to form an opinion on whether the proposed costs represent what the costs should be. The cost elements of labor, equipment, materials, and mark-ups are considered.

(2) Price Analysis. Price analysis (PA) means the process of examining and evaluating a proposed price, without evaluating its separate cost elements and proposed profit. For instance, comparison to the Government Estimate, pricing standards, other bids or quotes, etc. accomplishes the PA.

(3) Cost or Pricing Data. Cost or pricing data means all facts as of the time of price agreement which prudent buyers and sellers would reasonably expect to affect price negotiations. When certified cost or pricing data are required, a Certificate of Current Cost or Pricing Data shall be included in the contract file. *Cost or pricing data should be submitted in the format shown in Table 15-2 of FAR 15.408.*

(4) Technical Analysis. Technical analysis (TA) means the examination for reasonableness of materials, equipment, labor, and associated factors set forth in a contractor's proposal by personnel having specialized knowledge in engineering, construction, or management.

(5) <u>Audits</u>. Audits refers to a request of the contracting officer for a review by the cognizant contract audit activity, before negotiating certain contracts or modifications, to determine the reasonableness of a proposed price.

(6) <u>Price Negotiation Memorandum</u>. Price negotiation memorandum (PNM) means recording the required minimum amount of information on the principal elements of a price negotiation.

Questions & Answers on RMS-PD²

1. Question*: **What is done first to download data to/from RMS and PD² and how are conflicts handeled?***

Answer: The first interface run from SPS includes the award and all released modifications from SPS. If this is a new contract in RMS then the award CLINS and all modifications will be loaded into RMS. However, if the award CLINS and the SPS released modifications have already been entered into RMS prior to using the interface, the interface is designed to check to see if the data entered in the two systems is the same.

A. If the award CLINS and the SPS released mod CLIN changes have been entered into both systems and they <u>are the same</u>:

The interface is ready to start exchanging contract modifications. If SPS has additional modifications on the initial download to RMS that are not in RMS, these modifications will be added to RMS. If RMS has modifications that are ready for release that are not in SPS, these modifications will be sent to SPS.

B. If the award CLINS and the SPS released mod CLIN changes have been entered into both systems and they <u>are not the same</u>:

RMS will notify the RMS user. The interface will not work until the two systems agree on the initial value of the CLINS. RMS users have two choices. 1) Change the CLIN entries in RMS to match the CLINS coming from SPS or 2) Delete the CLINS in RMS and allow the SPS CLINS to be imported into RMS for the initial download. After this is done the interface is ready to start exchanging contract modifications between the systems.

Note: The interface will not automatically overwrite RMS data. There may be cases were the contract is too far along in RMS to desire making changes to the current entries in RMS to match SPS. In these cases RMS users can turn the interface to SPS off and complete the contract in RMS with their current data.

2. Question: **Will the download of contract information from SPS overwrite what we have already manually entered in RMS? We are hoping it does at least for the basic contract information, which needs to be the same in both systems.**

Answer: As noted above the modification numbers and CLINS (CLIN quantities and CLIN Unit prices) need to match on the initial interface between the two systems. The system will notify RMS users of any differences, but it will not automatically overwrite RMS data. After the initial download, modifications can be initiated in RMS or SPS, but should not be initiated in both. This will allow the two systems to share information but not overwrite any user entries in either system.

Queston: *Will a CO/ACO be required to perform the upload since they are the only ones with authority to release modifications in SPS? If so, will CO's in Contracting need RMS to sign the modifications >$100K? If not, will it be possible to upload unsigned modification information for manual release by the CO in SPS?*

Answer: Modifications beyond the ACO's approval authority will be prepared by the ACO/ACO staff and forwarded via the interface to the PCO for review, finalization and signature/release in SPS. It then goes back to the interface and we pull it into RMS.

The new release of RMS Windows has User Access Control added. To send an ACO modification ("A" type modifications) to SPS the RMS user must check the "Modification Completed" Block in the Contract Modification Module. This flags the modification as ready to be sent to SPS on the next batch export and releases the modification in SPS. Permission to check this block is protected by access control. Only individuals with ACO authority for the contract should be given access rights to check the block. There is also an access controlled block titled "Draft SF30 completed - Modification ready to be sent to PD² for CO signature" for CO modifications ("P" type modifications). These modifications will be sent to SPS for CO review and approval. They will be sent back to RMS after release from SPS.

Keeping Management Informed

It is very important to ensure the interfaces is two-way between **RMS** and **P2**. There is important information that is captured by both systems that needs to be shared will all **Project Development Team** (PDT) members. The key to doing this properly is to capture data at its source during the course of conducting daily business and sharing the relevant management information derived with all PDT members.

A. An example of this would be with **Contract Modifications**. The need for a contract change is usually first identified by construction from either an incoming *Request For Information* (RFI) from the Contractor, or some discovery in the field that is noted on the Daily QA or QC Reports. When a possible change is identified, all supporting correspondence from the *Correspondence Log* and *Daily QA/QC Reports* are electronically attached to a new Case Number in RMS. A **Basic Change Document** is generated to allow all team members (including the Customer) to review the proposed change, estimated costs and all supporting documentation to determine if the change is actually necessaary/desired. If the change is approved, the information collected during the investigative stage is used to generate all required documents necessary to process the contract modification. Required actions and suspense dates are set and monitored. This includes such documents as *Request for Proposals* to the Contractor, *Specification or Drawing Changes, Price Negotiation Memorandums, SF 30's*, etc. Once the modification has been completed in RMS, the affected **Contract Line Items** (CLINs) are linked to CEFMS contract obligations in RMS to allow the payment process to be automated. The modification module allows the contractor's work activities for the changed work to be scheduled and linked to submittal requirements, QC Testing requirements, installed property requirements and Features of Work for 3-Phase Inspections. The completed modification in RMS is ready to be exported to SPS for officially recording the modification.

   During the entire process of construction preparing the required documents for a change from inception through completion, the status of all construction changes and modifications is automatically reported to PROMIS as a result of construction doing their

daily business. This includes mod status and the effect on the current CWE. This is the type of information that should be captured at its source and shared with P2.

B. Another example of capturing data at is source and sharing is with all PDT members can be seen when looking at the schedule in RMS.

RMS maintains four types of schedules.

1. A detailed NAS of the contractor's work activities. This is the schedule used at the jobsite to forecast projected need dates for submittals, materials, equipment, work crews, testing schedules, 3-Phase inspections, etc. The level of detail (i.e., form footings, set re-bar, place concrete) is not very useful for the customer or those not tasked with the day-to-day scheduling operations at the jobsite. It would not make sense to duplicate this schedule in P2.

2. The most important schedule to the customer is the Milestone schedule. This schedule includes not only major milestones like the Contract Award Date, Notice To Proceed and BOD, but also includes important milestones for the customer, like partial turnover for installing customer furniture, scheduling User Training classes, O&M turnover, etc. During construction these types of milestones are reviewed at the weekly planning meetings with the contractor and are updated in RMS as part of the daily QA reporting process. Prior to construction award, milestone dates should come from P2 to RMS, but after construction award the construction milestone dates should come from RMS to P2.

3. As part of the contractor's QC Plan, Defineable Features of Work for a construction contract are identified by the contractor to plan Preparatory, Initial and Follow-Up inspections of the work. RMS generates a feature schedule by finding the first activity scheduled to start under a feature and the last activity scheduled to be finished under a feature. Actual progress is determined by computing earnings to date on the activities for a feature. Most construction contracts (even those with 1000's to tens of 1000's of work activities) have fewer than 30 features of work. This rolled up feature schedule makes an excellent schedule for easily monitoring the progress on a contract. The customers find this schedule very easy to understand. Typical features include items like Site Utilities, Interior Electrical, Roofing, etc. This schedule is currently sent to PROMIS from RMS and should be sent to P2.

4. Monthly projected earnings vs. actual earnings to date. This monthly schedule clearly shows if actual progress is on schedule. This schedule also provides information to project scheduled placement by construction office/District. Prior to award, this schedule is generated by a standard construction sin-squared curve based on scheduled NTP, estimated contract duration and estimated contract amount. After award this schedule is based on actual site inspection of progress and the contractor's NAS. This schedule is also reported to PROMIS from RMS and should be sent to P2.

> **RMS has been designed to assist construction personnel to perform their day-to-day tasks while allowing the information they generate to be shared by all Project Delivery Team members.**

Contract Modifications

A modification is added to a contract following the creation of the Change Request(s) discussed in the last chapter. A modification allows the Government to add or change information and/or requirements of the contract.

Contract modifications may be initiated either at the field offices or at the District Office. There are several major considerations in determining which element should initiate changes.

> (a) Estimated dollar value.
>
> (b) Authority - Contract Clause.
>
> (c) Requirement for engineering or technical detail.
>
> (d) Necessity for Notice to Proceed.
>
> (e) Knowledge of change circumstances.

Field offices will normally initiate, negotiate, prepare, and issue contract modifications covering field changes within delegated and monetary Administrative Contracting Officer authority with District support as may be needed. Other modifications will be finalized by the District Office, but with support documentation from the field offices. A modification request received in the District Office may be referred to the field office for handling. Similarly, a modification within field office authority may be referred after oral agreement to the District Office for handling because of design or other technicality involved. Current workload may also be considered.

Contractor's Responsibility

The authority of the Contracting Officer to issue change orders is based upon the previous consent of the contractor and the surety to accept such action as expressed in the "Changes" clause of the contract. When such authority is properly exercised, the contractor is legally obligated to proceed with the change, but may assert a claim for price and/or time adjustment within 30 days after receipt of a written change order; or, if the Contracting Officer finds that circumstances justify it, at any time prior to final payment of the contract. As a rule of general application, changes involving such features of the work as might reasonably have been contemplated by the contracting parties as being subject to change during the course of construction constitute "changes in the drawings and/or specifications and within the general scope thereof" as referred to in the "Changes" clause and may be properly directed by change order. The "Changes" clause also provides for, but is not limited to, changes in the method of performance of the work; changes in the Government-furnished facilities, and changes directing acceleration in the performance of the work. Change orders are also used to make price and/or time adjustments pursuant to other clauses included in Table #1 of the Preface. The particular clause or clauses of the contract that authorize the change must be cited in each modification.

RMS for Windows

From the **Contract Menu**, select **Finances / Contract Modifications**

A Modification is added to a contract in RMS following creation of the Change Request(s) and allows you to add or change current contract information and/or requirements.

The modification process includes identifying one or more Change Requests that will be included in the Modification package.

Like the Change Request, to add a Modification you follow logical steps and track the Modification until it is complete. The example screen above shows two Modification packages. The "**Modification Status**" at the bottom of the screen reflects the current progress of the entire effort for each Modification package. This data will change as you scroll through the packages.

Modifications can be either added or edited from this screen.

A Modification is added by pushing the "Add" button.

A second screen appears asking for the Reference Number for the new Modification. By default, the next sequential "R" number will be entered, but it can also be edited at this point.

It should be noted that the actual Modification Number will be assigned by the "Standard Procurement System" (SPS), called **"PD²"**, following completion of all signatures.

In accordance with the FAR, Modifications signed by an ACO should begin with the letter "A", and those signed by the Contracting Officer (Procurement Officer) should begin with the letter "P".

A ? or P ?

SF30 - Page 1 Tab

There are two things to be accomplished from this screen:

1. Select Change Request(s) to be included on this Modification
2. Then Add/Edit Contract Line Items to equal the Modification Amount

> **These items are shown at the bottom of the screen when it first appears.**

A Push the **Select** button to link **Change Requests** to this modification.

Place the cursor on the desired **Change Request** and push the **OK** button.

In this case, we will select our only choice, AW001.

As you link the **Change Request** to a modification, it will no longer appear in this lookup.

Status/Funding Tab

The next step is to **Edit** each Change Request and make any needed changes. One thing that you will want to update will be the Funding Status. Select a Change Request and push the **Edit** button.

The above screen is the Change Request screen that was covered in Chapter 9 of this User Manual. Review the information on the first two tabs to make sure nothing has changed. On this **Status/Funding Tab**, update the **Stage Code** at the bottom of the screen.

Lookup

Search Characters

	Code	Description
	A	IN AUDIT (MOD > $100,000)
	C	CLAIM IN CO-OP DIVISION
	D	SIGNED - MOD TO DISTRICT FOR DISTRIBUTION
	E	PROPOSAL NOT REQUESTED (PRELIM. ESTIMATE)
	F	FINAL - SIGNED, READY FOR CONTRACTOR PMNT
	G	GOVERNMENT ESTIMATE PREPARED
	H	CHANGE IN HOLD / ABEYANCE STATUS
	I	PART 1 OF A 2 PART CHANGE
	L	CLAIM IN OFFICE OF COUNSEL
▶	N	CHANGE NEGOTIATED, PR&C REQUESTED
	P	PROPOSAL RECEIVED

✔ OK   ✗ Cancel

Assume we have negotiated the Modification with the Contractor and are requesting a PR&C. Push the **OK** button when completed.

Supporting Documents Tab

As discussed in the previous chapter of this manual, this is the place to access all documents relating to the Modification, such as RFP letters, PNM's, BCM's and so forth.
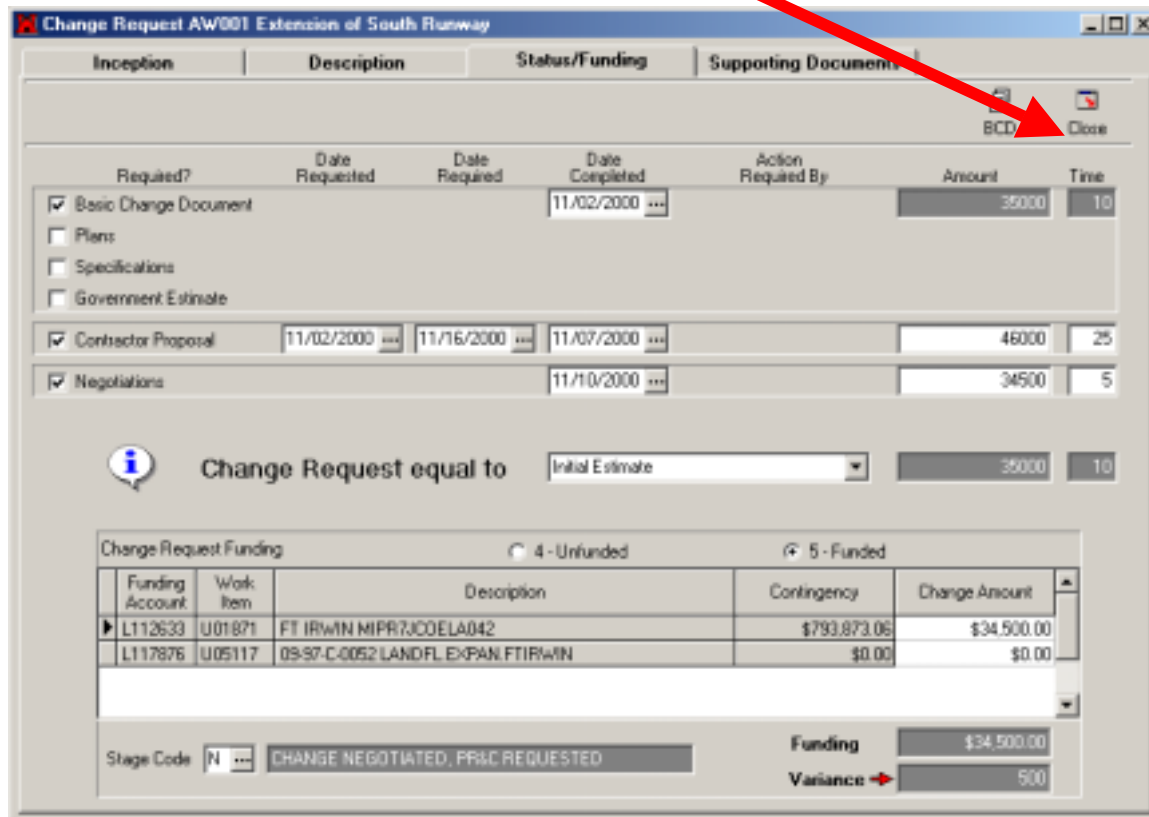
Change Request AW001 Extension of South Runway

| Inception | Description | Status/Funding | **Supporting Documents** |

⚠ UNDER CONSTRUCTION

The module you have selected is currently under development. Please contact the RMS Support Center with any questions regarding the development of this module.

Push the Close button when complete.

SF30 – Page 1 Tab

We are now ready to address the Contract Line Items changed by this Modification. Push the **Add** button to begin.

(Notice that the screen has now changed to reflect action for an SF30.)

You have the choice to either **Automatically add a CLIN equal to Modification, Manually Add a New CLIN,** or to **Revise an existing Lump Sum CLIN**. The latter will present you with a listing of the existing CLINs to change.

Select **Manually Add a New CLIN** to access the following screen.

When you make the above selection, you will need to add a unique number for the new CLIN.

The number you choose can follow the format of existing CLIN's (e.g., formerly known as Bid Items) or any other format you may desire.

However, officially the CLINS are four-digit numbers.

The **Unit Type** is then chosen from the lookup to match your new **CLIN.**

The bottom portion of the screen is used to enter the "**Description**" and the "**Amount**" of the new CLIN.

Continue adding CLIN's until the sum of the new CLIN's is equal to the amount of the Modification. There should be no **Variance** when you are completed.

SF30 Block 4 – Requisition No

If your District requires a requisition number on the SF30, enter the number here. It may be up to 28 characters in length for this field. If downloaded from CEFMS, it will be automatically entered by RMS.

SF30 Block 12 – Accounting and Appropriation Data (Optional Additional Notes)

This memo field may be used for optional notes not otherwise included within the Modification package. An example may be that you want to reflect the actual funding source here.

You would continue to add CLIN's until the "Sum of CLIN Changes" equals the amount of the Modification. Once the CLINs have been balanced, you are ready to prepare the remainder of the SF30.

SF30 - Page 2 Tab

SF30 Block 13

Select the manner in which the Modification is being issued and select the appropriate FAR Clause(s) from the lookup provided. Also, indicate whether or not the Contractor will be required to sign the Modification. (**NOTE**: The Contractor MUST sign a Supplemental Agreement that is outside the scope of the contract, as such cannot be issued on a unilateral basis.)

Far Clause Lookup

The *Search Characters* field may be used with either the **Description**, as shown here, or by the **Paragraph**. When the window first appears the **Description** column will be on the left side. You can *drag* it to the right, or *drag* the **Paragraph** to the left.

RMS will now permit two (2) FAR references on the SF30.

SF30 Block 14

The second section of the tab includes entries for Modification Title, Optional Entries and a Closing Statement.

If you are selecting more that one change request to a modification, verify that the title of the change reflects the basic scope of work of each item, if at all possible. The title should be easy to understand and use keywords that may help you identify it.

Optional Entries

- **Change in Contract Price**
- **Change in Contract Time**

These entries afford the opportunity to included additional notes that are not covered elsewhere in the modification. For example, certain stipulations and agreements may have been reached during negotiations with the Contractor and it may be beneficial to include those stipulations as part of the actual modification process.

From the **Edit** screen, an Import button will produce a Library lookup where you can use pre-prepared statements, etc.

Be sure not to include items in these optional blocks that are elsewhere addressed within the Mod. This would increase the likelihood of conflicts in words and meaning.

The Closing Statement should reflect your District or Office policies. A lookup is available in the **Edit** screen to import statements already prepared.
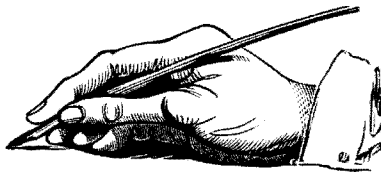
At the bottom of the screen, indicate whether the **Contracting Officer** or the **Administrative Contracting Officer** will sign this Modification.

After the Modification is signed, it is ready to be entered into **PD².**

Release Modification Tab

This screen is to record the administrative progress of the modification. You must obtain a PR&C from CEFMS for funding and all required signatures must be entered with the appropriated date fields completed.

Notice the "instructions" in the bottom window of the screen.

You can print the SF-30 from this screen.

Indicate that a PR&C has been obtained and record the signature dates in the window.

When date entries are made in this section, it is assumed that the CEFMS approvals and certifications are completed simultaneously.

The above screen then turns into this screen.

Enter the **Obligation Amount** and check the "**Modification funded with PR&C in CEFMS**" box.

When you indicate the Modification is complete by checking the box at the bottom, you will get this popup message

You MUST then balance the activities prior to exiting the modification area if you push **Yes**. If yes is pushed the next screen appears, from which you enter the activities.

Push the **Add** button to enter activities.

You can have RMS automatically enter an Activity to balance the CLIN or you can enter it manually. The selection is made with the popup menu as you push the **Add** button.

Pay Activity screen

This is the same Contractor Activity screen that was discussed in Chapter 8 of this Manual.

This screen will be filled in automatically, with this limited data, if you choose to let RMS add the CLIN.

If you enter the activities manually, you will go through the same process as discussed in Chapter 8.

Enter the unique Pay Activity number as coordinated with the Contractor and push the OK button.

> **During negotiations with the Contractor you will benefit if you can agree to the number, description and particulars of all new Pay Activities that will be required for this Modification. This is especially critical on large items, or on items that affect the critical path of construction (i.e., any time you have a time extension).**

Enter the data for Pay Activity and repeat until all activities are accounted for.

Close the screen when the Variance is zero and all items are balanced.

You have now completed the Modification.

Your goal is to be able to view a "red check mark" on each of the areas at the bottom of the screen.

You can scroll through each Modification package (from the top portion of the screen) and readily observe the "Modification Status" for each package on the lower portion of the screen.

Legal Review (EFAR 1.602-2(c)(ii)

All modifications in excess of **$500,000** shall be reviewed for legal sufficiency prior to execution by the Contracting Officer **or** the Contractor.

Use of Supplemental Agreements, Outside the Scope (FAR 6)

Any change in the work beyond the general scope thereof must be accomplished by Supplemental Agreement. Major deviations from location, type, and nature of construction, or from original contract amount must be considered as being beyond the general scope. Alterations in the payment provisions and contract clauses of contracts are properly accomplished by means of Supplemental Agreements out of scope. (Note that Supplemental Agreements are by definition bilateral and no implementation can begin until both parties sign the modification). Special approval must be obtained for use of out-of-scope Supplemental Agreements. A Determination and Findings must be prepared and approved through special review. Because of the restraints established by the Competition in Contracting Act of 1984 (CICA), out-of-scope Supplemental Agreements should be rarely used.

Authorities For Modifications (FAR Part 15, FAR 1.602-1)

1. **Monetary Amounts**. Where a modification involves both increases and decreases, monetary limitations are governed by the aggregate amount of such increases and decreases (i.e., a $30,000 addition and a $20,000 deletion equates to an aggregate amount of $50,000, although the contractor is due only $10,000).

2. **Business Clearance Memorandum (BCM).** Negotiated acquisitions, which exceed $500,000, require a **formal** BCM. A modified version of the formal BCM shall be used for all modifications below the $500,000 amount**.**

3. **Administrative Contracting Officer Monetary Warrant Increase (EFAR 1.602-1-100(a)(i).** The monetary threshold for most ACO warrants will remain at $100,000. However, AFAR now permits ACO's to be warranted up to $500,000 in special circumstances. The warrant increase to $500,000 is not automatic, but a warrant increase may be issued on the basis of clearly demonstrated needs for the increased amount. In general, the basis for the increased warrant for a particular ACO will depend on the number of contracts with significantly high award amounts and the reasonable expectation that a significant number of modifications to those contracts will exceed the $100,000 amount. Headquarters is currently limiting each district to only one warrant at the $500,000 level unless the need is clearly established for additional warrants at the increased level.

4. **Authorities Delegated to Administrative Contracting Officers (EFAR 1.602-1-100).** Most Administrative Contracting Officers (ACO's) have been delegated authority subject to the following limitations:

    a. To modify construction contracts within the scope of the contract under any of the following contract clauses: *Changes, Differing Site Conditions, Variation in Estimated Quantity, Variations in Estimated Quantities – Subdivided Items, Value Engineering,* and *Suspension of Work;* provided that no individual contract action under these clauses may exceed **the applicable ACO's warrant level** (the sum of deletions and additions).

    b. To modify construction contract performance periods under the *Default (Fixed Price Construction)* clause **for delays due unforeseeable causes beyond the control and without the fault of the contractor,**

c. To modify purchase orders under the *Changes* and *Changed Conditions* clause (FAR 52.243-5) that do not cause the total value of the individual purchase order to exceed the micro-purchase limitation described at FAR 13.101; and

d. But not to modify construction contracts under any other clause not specified in (a) through (c) above, including but not limited to terminations for convenience or for default; and

e. Subject to the limitations in (a) through (b) above, to perform any of the contract administration functions in FAR 42.302.

However, notwithstanding the delegation described above, each ACO must be specifically delegated these authorities for each contract. At the time of award of each construction contract, letters signed by the Contracting Officer are addressed to the contractor and ACO, specifically advising them of the above delegation of authority. Such letters also delegate to the ACO authority to perform other actions in connection with the contract as the Contracting Officer's Representative. Two copies of this letter are sent to the ACO with one copy to be executed and returned to Contracting Division. This executed copy becomes the official notification of appointment and is placed in the contract file.

5. **Actions Authorized for Administrative Contracting Officers.**

a. <u>Changes Clause</u>. The delegations made to ACO's authorize the negotiation of price and time adjustments, issuance of notices to proceed, and execution of modifications under the *"Changes*" clause, within specified monetary limits. The necessity of a proposed change may often be resolved at field level. In those cases where a change is clearly practicable, in accordance with applicable criteria, the ACO will ascertain the availability of funds, and pursue the modification process. If not within his authority, the ACO will forward the proposed modification to Contracting for finalization. Modification numbers are also obtained from Contracting (PD²). Each field office is responsible for assigning the applicable Contract Line Item Number (CLIN) to each payment item contained in the modification. (CLIN's were formally referred to as Bid Items.)

The fact that a proposed change is within the monetary authority delegated to him should not deter the ACO from requesting assistance when sufficient technical information or pricing data are not available locally.

b. <u>Time Extensions Pursuant to the "Default Clause"</u>. The authority delegated to the ACO does include the granting of time extensions due to unusually severe weather only under the provisions of the "*Default*" clause.

c. <u>Differing Site Conditions</u>. Changes pursuant to the "*Differing Site Conditions*" clause are included with those clauses authorized to be directed by ACO's (EFAR 1.602-1-100). When the contractor alleges a differing site condition, he should be informed of the requirement to submit the facts promptly in writing. Upon receipt of the first indication of a differing site condition, the Area/Resident Engineer will take the necessary action to promptly investigate the site conditions. Proper investigation may require the involvement of other District elements (i.e. - Engineering-Planning Division).

d. <u>Work Suspensions</u>. Administrative Contracting Officers are now authorized to suspend work for the convenience of the Government in accordance with the "*Suspension of Work*" clause provided that no individual contract action exceeds the ACO's warranted monetary authority (the sum of deletions and additions). All such suspensions will be carefully monitored by the ACO. Should it appear that

the suspension originally ordered by the ACO would ultimately exceed the ACO's warranted monetary authority, the Contracting Officer should be notified immediately for possible ratification. Reimbursement to the contractor is limited to the additional expense or loss actually incurred, excluding profit, during that portion of the delay that is determined to be unreasonable. Requests for modifications under the clause "*Suspension of Work*" and the contractor's proposal will be submitted with all necessary data to substantiate all aspects of the recommended amounts and time allowances. When the contractor alleges a suspension of work, and no suspension order was issued, the notice required by the clause cannot be waived.

The costs, if any, applicable to the suspension of work are paid under the authority of the "*Suspension of Work*" clause; however, any time extensions due to a suspension of work are granted under the "*Default*" clause. The ACO's may execute modifications for time and money under the "*Suspension of Work*" clause up to their warranted monetary level.

      e. Unilateral Administrative Modifications. The ACO may issue unilateral administrative modifications that do not affect the substantive rights of the parties. Actions generally permitted are correction of typographical errors, change in paying office, or change in appropriation data. Actions that affect cost or time are not allowed under unilateral administrative modifications.

6. **Actions Excluded From Administrative Contracting Officers.**

      a. Unilateral Change Orders. ACO's are not authorized to issue change orders or notices to proceed incorporating price and time adjustments which have not been accepted by the contractor without prior approval. However, unique situations may arise where it could be beneficial for the ACO to issue a field change order, even though he suspects that the contractor will reject it. These situations should be handled on a case-by-case basis, upon guidance from Contracting Division.

      b. Termination for Convenience or Default. ACO's are not authorized to issue termination orders. The Contracting Officer shall execute all termination modifications due to convenience or default.

      c. Contracting Officer's Decision. The authority delegated to ACO's does not include the issuance of Contracting Officer's decisions under the "Disputes" clause of the contract. ACO's may, however, review questions, claims, and requests presented by the contractor, and render written determinations thereon. To ensure that such documents will not be construed as Contracting Officer's decisions, ACO's should advise the contractor at a latter stage of corresponding of the right to refer the question to the Contracting Officer, in the event they desire such a decision.

7. **General.** Even though a potential or proposed modification may be outside delegated authority, ACO's and field staff should support or participate in all facets of modification action short of execution, as necessary.

Variation in Estimated Quantities

1. **Introduction**. The contract clause "*Variation In Estimated Quantity*" is applicable to contracts with unit price schedules except as noted below. The clause is triggered upon the demand of either party. The intent is to provide for an equitable adjustment when the actual quantity of a unit price item varies by more than 15 percent from the original estimated quantity and when it is determined that the contractor's costs are increased or decreased due solely to the variation above 115 percent or below 85 percent. The unit price remains unchanged for all quantities within 115 percent of the original estimated quantity, and an adjustment is made only

for the actual quantity above 115 percent, or below 85 percent, of the original estimated quantity, whichever the case may be. This clause presumes that when the quantity of a unit price item increases, the unit cost of that item usually decreases. Likewise, when the quantity decreases, the unit cost may increase.

    a. **Overrun Example.** If a contract contains a unit price schedule listing 600 LF of storm sewer, and 800 LF are actually required, the contractor's cost for mobilizing a backhoe should have been distributed and absorbed in the first 600 LF. Theoretically, the extra 200 LF can be installed without incurring additional fixed costs, such as overhead or mobilization, and therefore at a lesser unit price. Remembering that the first 15 percent variation remains at the original unit price, in this example only 110 LF would be subject to a revised unit price calculation. Also, any price adjustment is based solely on the change in the contractor's costs because of the over/underrun.

    b. **Underrun Example**. For the same storm sewer item if 400 LF were installed, the underrun adjustment would be based on the change in contractor costs, probably an increase. The adjustment would take into account the following:

    (1) Unrecouped fixed field overhead costs,

    (2) Unrecouped fixed equipment costs; i.e., mobilization, demobilization and rental, and

    (3) Increase in variable costs; i.e., work performance. Any adjustment is without regard to the equity of the contract unit price and that reliance on total cost pricing should be avoided. Increased costs from an underrun could be paid for as a lump sum item.

2. **Application.** For this clause to be applicable, the overrun must result from performing the contract work as originally specified, i.e., naturally occurring overrun. This situation should be distinguished from a case where the Government directs additional work; i.e., the contractor is directed to excavate an additional foot of trench depth. It may seem that such additional excavation is an overrun to the original Contract Line Item "Trench Excavation". However, the additional excavation is actually a result of a directed change in work and should therefore be handled by modification pursuant to the "*Changes*" clause.

3. **Excluded Contract Line Items.** This clause is not applicable to subdivided line items in contracts containing the clause "*Variations in Estimated Quantities -- Subdivided Items*", nor to contracts for dredging work which contain the clause "*Variations in Estimated Quantities, Dredging.*"

4. **Procedures.**

    a. When it appears that there will be an overrun or underrun of more than 15 percent of the original estimated quantity of a line item, the field office should notify their Project Manager of the situation. *For fully funded contracts,* the Project Manager will check and commit funds *through a PR&C amendment* prior to the contractor being given authorization to exceed the original contract quantity. The Resident Engineer should initiate a cost study of the contractor's operations to determine whether or not an adjustment to the unit price should be made. It may be necessary to prepare an estimate. The original Government Estimate can sometimes be useful in analyzing costs.

b. In the case of overruns of any dollar amount, the Resident Engineer should furnish the District Office with the following information, by memorandum:

(1) Known quantity to date and final estimated quantity.

(2) Reasons of the overrun, e.g., actual elevation of rock being different than shown in the contract documents, errors in contract quantities, etc.

(3) Statement concerning reasonableness of contractor unit price (supported by cost estimate when there is no other basis for comparison or when reduction of the contractor's unit price is recommended).

(4) Written justification of action to be taken by the Administrative Contracting Officer concerning payment of any overrun/underrun within their monetary authority.

(5) Any other information available relating to unit costs.

c. Upon receipt of the above memorandum from the field, the District Office should review the documents and advise the field office of the course of action to be taken for any variation outside the ACO's authority. If the Government determines adjustment is necessary, the contractor shall be asked to submit a proposal if not already received. A new price should be negotiated and a modification issued as soon as reasonable estimates of correct quantity can be determined. If unit prices are to remain unchanged, (1) on a fully funded type contract, the Project Manager should prepare a *PR&C* for the anticipated overrun to assure adequate funds are available. A quantity adjusting modification should be issued as soon as possible and; (2) Continuing contracts do not require a separate *PR&C* for overruns. The projected cost of overruns will be included in periodic funding allocation modifications. Quantity adjustment modifications should be written, as final quantities become known.

d. It is recognized that negotiation of a new unit price for an overrun quantity in advance of completion is not always possible, and that it may often be necessary to complete work on certain items to determine actual quantities to use as the basis for negotiations. On the other hand, contractors must be paid for work performed and they should never be penalized because of the Government's failure to act under the "*Variations*" clause. The importance of timely and proper administration of this clause cannot be overemphasized. The field office will work to assure prompt payment to the contractor for overruns in excess of 115 percent. To the extent possible, the price reduction will be established prior to accomplishing the quantity overrun nevertheless, in accordance with District policy and procedures, the Government is obligated to pay the contract unit price for all quantities performed until such time that a price reduction is established by modification of the contract. However, unreasonable overpayment of large magnitude will be avoided by establishing a tentative price reduction.

e. In the case of an underrun, it is considered the responsibility of the contractor to request an adjustment in unit price. However, the Resident Engineer must be aware of the underrun and should analyze the unit costs in preparation for a contractor's possible demand for adjustment.

5. **Time Consideration**. If a contractor is delayed by a quantity overrun, an appropriate time extension should be included in the modification issued for price adjustment. In the case that a delay occurred, but no adjustment in unit price is made, it will be necessary to prepare a time extension modification pursuant to the "*Variation in Estimated Quantity*" clause.

6. **Quantity Adjustment Modifications.** PARC Instruction Letter 93-3, dated 9 July 1993, requires issuance of an administrative modification prior to making any contract payment, which will exceed the total contract amount (not just the estimated quantity of any particular payment item) as the result of variations in estimated quantities. This modification shall be issued for ***payment purposes only***, and it shall represent your best estimate of the remaining quantities to be placed.

    a. Further, the PARC instruction letter requires the preparation of an administrative closeout modification for each construction contract having unit priced estimated quantity items. The closeout modification shall be used to increase or decrease the estimated quantity for each unit priced item to the actual quantity required for performance of the contract. The administrative closeout modification shall not be utilized to require additional work applicable to other clauses of the contract such as changes, differing site conditions, etc. Since this modification is for administrative purposes only, the contractor's signature will not be required. This type of modification shall be issued for ***payment purposes only***.

    b. Notwithstanding the requirement for quantity adjustment modifications, the two contracting parties must retain their right to unit price adjustments under the "*Variations in Estimated Quantities*" clause. In this regard, it will be necessary to use the **original** estimated quantity as the basis for any unit price adjustments even though subsequent administrative quantity adjustments may have significantly revised the estimated quantities several times.

    c. ACO's only have authority to execute quantity-adjusting modifications, which fall within their warranted monetary limit (aggregate sum of additions and deletions apply). The Contracting Officer must execute all quantity-adjusting modifications outside the warranted authority of the ACO.

    d. **SF-30 Preparation.**

        (1) Firm Fixed-Price Contracts. Modification preparers shall check Block 13D of the SF-30 for each quantity adjusting modification. Also, the justification in Block 13D shall read "*Revision of estimated quantities, Clause XX, Variation in Estimated Quantity*".

        (2) Indefinite Delivery/Indefinite Quantity Contracts. Indefinite Delivery/Indefinite Quantity contracts are not subject to the "*Variation in Estimated Quantity*" clause. Therefore, quantity adjustment modifications issued for delivery orders within these types of contracts shall not reference the "*Variation in Estimated Quantity*" clause. The modification shall reference "Modifying the contract to reflect actual quantities performed".

Other Change Orders

Not all Change Orders directly impact the Contractor for time and money. There are Change Orders that affect the Construction Working Estimate (CWE) that must also be tracked within RMS, CEFMS and PD².

The Change Orders dealing with other CWE items are broken into five (5) categories:

1. Supporting Contract Changes
2. Design During Construction Changes (DDC)
3. Review Contractor Design
4. Supervision and Administration (S&A)
5. Other without S&A

These changes are relatively simple to complete and are sometimes accomplished in RMS after they have actually taken place. However, they can be entered any time during the funding stages (Unfunded, Funded, and Complete). The financial information on these changes will usually originate with the Project Manager (PPMD) or Contracting Division.

The screen on which to accomplish these other Change Orders is located under **Contract / Finances / CWE Changes.**

Supporting Contract Changes

The first tab is identified as **Supporting Contract**. Push the **Add** button to add this type of Change Order.

As with other Change Requests, RMS will provide the next sequential Change Request number for the change being added. You may accept the default or change it as you wish. Push the Finish button when completed.

Enter a Change

Request Title at the top of the screen to describe the change.

Indicate the appropriate **Funding Status** (4, 5 or 6) and enter the amount represented by the Change Request, distributed over one or more indicated **Funding Accounts**.

The Memo field at the bottom of the window can be used to describe the change or provide any pertinent remarks. It is an optional field.

RMS for Windows

Press the Close button at the top right hand side of the screen when completed.

The Change has been completed.

You can view the result of the CWE Change at the bottom of the window.

Design During Construction Changes (DDC)

This change is accomplished in the same manner as the previous one. Accept the RMS-generated Change Request number, or enter another of your choice, give a title to the Change and complete the funding.

Review Contractor Design Changes

This type of change is reserved for a Design – Build contract. The successful Contractor will obtain the award and provide the design in accordance to typical performance-based plans, specifications and design instructions.

The change is accomplished as above.

CWE Changes to S&A

This is also accomplished in the same manner as the other CWE Changes.

Other without S&A Changes

Add these changes in the same manner as the previous CWE Changes.

Current Construction Working Estimate (CWE)

Selecting the Current CWE will reveal the impacts of ALL changes and modifications issued.

Contract DACA09-97-C-0052	Current CWE	CWE including Funded Pending Changes	CWE including Unfunded Pending Changes
Contract	$2,526,000.00	$2,526,000.00	$2,526,000.00
Other Supporting Contract	$35,000.00	$35,000.00	$35,000.00
Contingency	$329,500.00	$329,500.00	$329,500.00
S&A	$33,000.00	$33,000.00	$33,000.00
Gov't Review Contractor Design	$2,500.00	$2,500.00	$2,500.00
Design During Construction	$5,000.00	$5,000.00	$5,000.00
Other Without S&A	$55,000.00	$55,000.00	$55,000.00
CWE	$2,986,000.00	$2,986,000.00	$2,986,000.00
Management Reserve	$0.00	$0.00	$0.00

Creating a Modification within PD²

The modification process is one that involves numerous steps, but all of them flow logically from the one before. The important thing to note is that the modification is built from the award, not from the PR&C. Thus you do **_NOT_** need to have a PR&C in PD^2 in order to do a modification. You must have one in CEFMS, however, since that's how the funds are actually obligated. This PR&C may be an amended PR&C from CEFMS (as is often the case with construction modifications) or a new PR&C.

You must also locate the award that you are modifying. Use the PD^2 search function to locate the award.

1. Creating the modification

1. Click on the award to highlight it.

2. Click *Procurement* on the menu bar to open the dropdown menu:
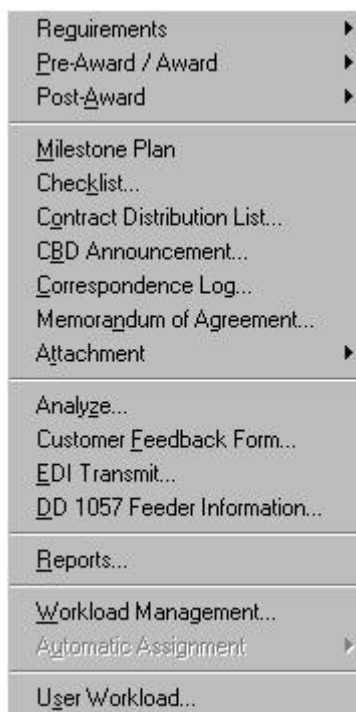
3. Click *Post-Award* to open another dropdown menu:

```
Modification (SF 30)                          ▶
Release Modification

FSS Order/DO/TO (DD Form 1155)...
Commercial FSS Order/DO/TO (SF 1449)...
BPA Call...
Imprest Fund Management...

Award Status...
Vendor Performance...

Audit Tracking...
Vendor Dispute Tracking...

Closeout                                      ▶
Termination                                   ▶

Contract Data Cover Sheet...

Delivery                                      ▶
Discrepancy Report                            ▶
Payment Request                               ▶
Payment                                       ▶
Tracking Source...
```

4. Click *Modification (SF 30)* to open another dropdown menu:

```
Architect-Engineer Contract (SF 252)...
BPA Master Agreement (DD Form 1155)...
BPA Call...
Commercial Purchase (SF 1449)...
Commercial DO (SF 1449)...
Construction Purchase (SF 1442)...
Large Purchase (SF 26)...
Large Purchase (SF 33)...
Simplified Purchase (DD Form 1155)...

Multiple Contracts...
```
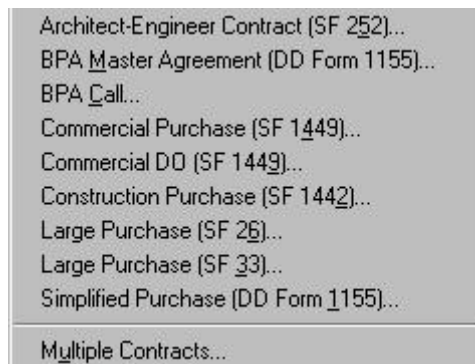
5. Click on the modification type appropriate for the award being modified [for construction contracts, you would use *Construction Purchase (SF 1442)*]. The system will not let you attach a modification to the wrong form.

6. You should see the following box on your screen:

NOTE: The modification number begins with "U" (for "unofficial") and will remain so until the modification is approved (if a bilateral modification) or released (if unilateral). Modifications done by the field will begin with "A"; those done by Contracting Division will have a "P" (see below).

7. In the "Description" window, type the case number of the modification.
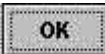
8. In the "Reason for Modification" window, type the case number. The information in this block will be inserted into Block 14 of the SF30. You must put something in this field.

RMS for Windows

9. Click [OK]. This closes the "Create new SF30" window and reveals the SF30 form window:

Note that there are a number of tabs at the top of this window.

10. Hold the **<Shift>** key down and double-click in the window in Block 3 ("Effective Date") to bring up the PD^2 calendar:

11. Double-click on the effective date of the modification. If you choose any other date than the current date, the modification will print with a "DRAFT" watermark that will only disappear when the effective date is reached.

12. Click on the tab labeled "SF30 11-16" to display the next screen.

13. Click the box next to the type of modification being issued. If you select "D" ("Other"), then click in the white space to the right of "AUTHORITY OF" and enter the authority (usually it will be 10 U.S.C. 2304(c)(1)).

14. Click whether the contractor is required to sign and return the modification; if the contractor is required to sign, just click in the blank space next to "return". A small window will appear; type the number of copies into that window. If you mark that the contractor is required to sign the modification, then the system interprets this as a bilateral modification and will generate an official number when the modification is being approved.

15. If you have additional information to enter into Block 14, click in the block and enter the text.

16. Click the tab labeled "SF1449 14-23" to see the following window:

17. If you are modifying the contract by adding a line item (for new work, for instance, or a notice to proceed), click *Line Item* on the menu bar. You should see this dropdown menu:

18. Slide the mouse pointer down to *Add* to open another dropdown menu:

19. Select *CLIN* and click. This will open up the line item detail screen (see below).

If the award is to be modified by changing an existing line item, click the appropriate line item on the award.

20. When the "Line Item Detail" window opens, you will see the line item number on which you clicked or the new line item that you are creating.

21. Put the description of the line item in the "Description" field (this should be the same as the description in CEFMS).

22. Put the quantity in the "Quantity" block of the "Amount of Mod." line [this will generally be one (1)].

23. Put the unit price in the "Unit Price" field on the "Amount of Mod." line (this should be the amount of the modification).

24. Put the unit of issue in the "Unit of Issue" field. (NOTE: This should be "Lump Sum").

25. Click the "Description" tab at the top of the screen. The window will change to look like this:

26. Click the up-pointing arrow on the left of the screen ( ) to move to the previous line item.

27. Click to produce the following box:
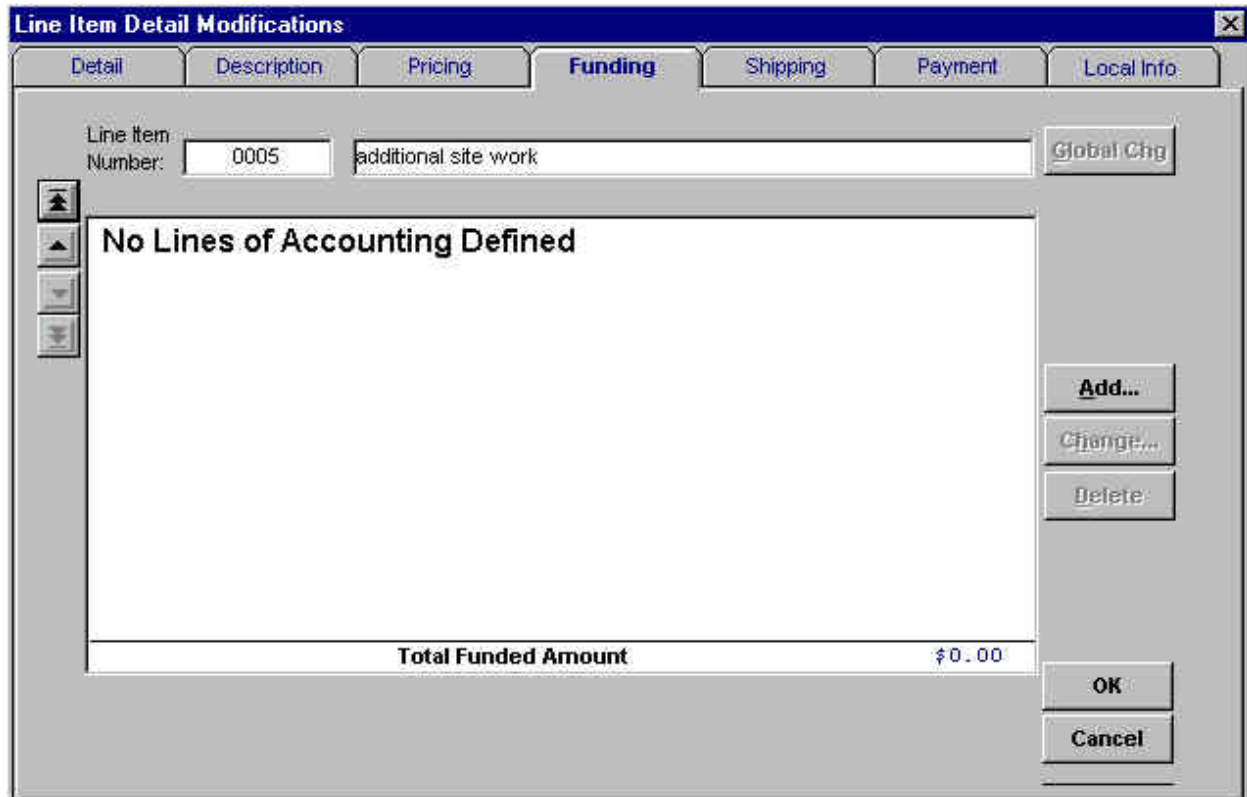
28. From the list that appears, select "FSC Code", then click .

29. Repeat this process for the SIC code, PROG code and WSC code (since the items on the list are in alphabetical order, the listing for "PROG Code" appears before the one for the SIC code).

31. If this basic contract is funded at the line item level, click the "Funding" tab at the top of the screen to display the funding window. If the contract is funded at contract level, see below.

Line Item Detail Modifications

| Detail | Description | Pricing | **Funding** | Shipping | Payment | Local Info |

Line Item Number: 0005   additional site work   Global Chg

No Lines of Accounting Defined

Add...
Change...
Delete

Total Funded Amount $0.00

OK

Cancel

32. Click Add . The screen should look like this:

Funding Sources

Line Item Information
Number 0005   Description additional site work
Total Cost $2,375.00

Funding Strip   ▼ Cost Code 000000000000   New...
Amount   0.00   Fund ACRN   TAC
                                                           TAC Amount

| Job Order | Expiration Dt | Quantity | Funded Amt |

Total Qty: 0.00 Total $: $0.00   OK

Add...   Change...   Delete   Cancel

33. Click [New...]. You will see the following dialog box:

34. Type the accounting and appropriation data from the PR&C in CEFMS (you will need to print the PR&C in order to have this data in the correct format), then click [OK]. Your screen should look like this:

RMS for Windows
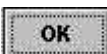
35. Click [OK]. You will be returned to the funding window, with the accounting data added to the screen:

Line Item Detail Modifications

| Detail | Description | Pricing | **Funding** | Shipping | Payment | Local Info |

Line Item
Number: 0005   additional site work   [Global Chg]

Contract / Funding
ACRN   ACRN   Funding Strip
   └ Cost Code   Funded Amount
      └ TAC   TAC Amount   FMS Case Nmbr

22   97 NA X 0510.40D1 H2 1998 08 8041 11316300000 3301
      7 3200 00291W
      000000000000 $2,375.00   [Add...]

                                                                 [Change...]

                                                                 [Delete]

              Total Funded Amount $2,375.00

                                                                 [OK]

                                                                 [Cancel]

36. Click [OK]. This will return you to this screen:

37. Be sure that you check the **Certified** block (it will not automatically be filled in).

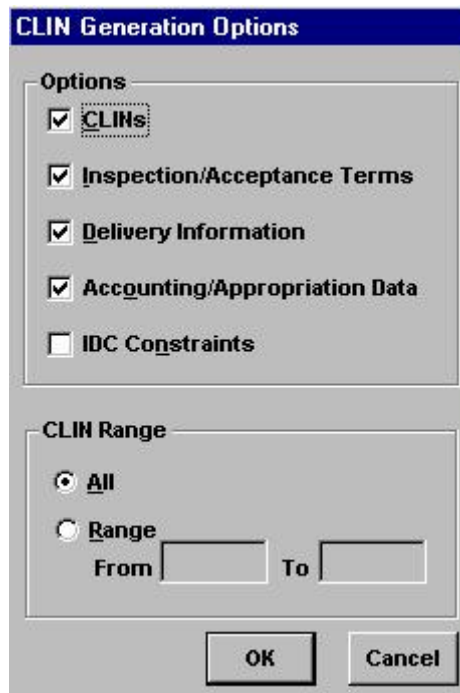38. If this contract is funded at the contract level, it will be marked in Block 23 like this:
Contract-Level Funding Click [Add] .

39. Highlight the funding strip that appears (if you will be using the same one) and click {change button}

38. Click [Document Options] on the menu bar to open the dropdown menu.

Reassign PIIN

Characteristics
Classification
Stepladder Pricing Structure
SBA Address

Auto Selection Clauses

Analyze

Generate CLINs
Generate Section J
Generate Document

View Document

Export Document

Future View
Local Information

Modification...
Generate Summary of Changes
Generate Modification Document

39. Slide the mouse pointer down to Generate CLINs and click. This will open another box.

CLIN Generation Options

Options

☑ CLINs

☑ Inspection/Acceptance Terms

☑ Delivery Information

☑ Accounting/Appropriation Data

☐ IDC Constraints

CLIN Range

⦿ All

○ Range
  From [   ] To [   ]

OK   Cancel

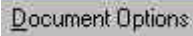40. Click the box next to ☑ Inspection/Acceptance Terms and ☑ Delivery Information to remove the checkmarks.

41. Click the radio button next to ○ Range.

42. Enter the CLIN number that you just created in the "From" and "To" fields (the fields will change from gray to white when you click the radio button). If you created more than one CLIN, you may generate them (if they are sequential) by entering the numbers in the appropriate windows
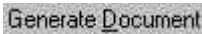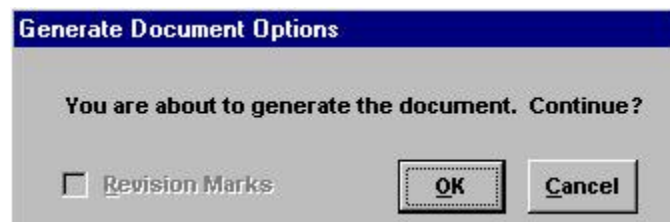
○ Range
  From [   ] To [   ]

43. Click OK.

44. Click Document Options to open the dropdown menu.

Reassign PIIN

Characteristics
Classification
Stepladder Pricing Structure
SBA Address

Auto Selection Clauses

Analyze

Generate CLINs
Generate Section J
Generate Document

View Document

Export Document

Future View
Local Information

Modification...
Generate Summary of Changes
Generate Modification Document
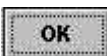
44. Slide the mouse pointer down to Generate Document and click. You should see the following box:

Generate Document Options

You are about to generate the document. Continue?

☐ Revision Marks   OK   Cancel

45. Click OK. (Do not click the box next to "Revision Marks".)

46. When the document has completed generation the system will display a notification.

PD²

ⓘ Document generated successfully.

OK
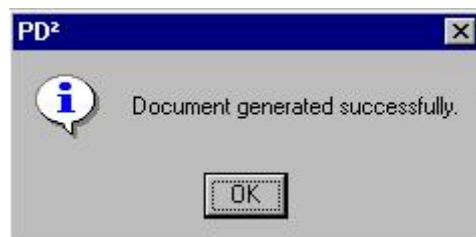
47. Click OK.

48. Click the **x** in the upper right corner of this window to save and close the SF30 screen. Note that even though you didn't do anything with the clauses, the system will display the following warning:
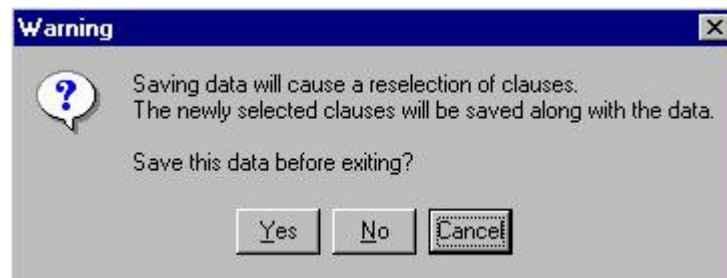

Click **Yes**. The system will engage in a clause selection process and when it is completed, the window will close and you will see an icon on your screen.
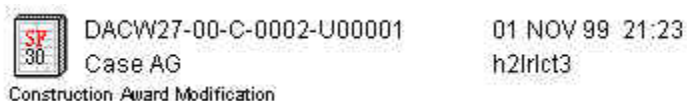
NOTE: If this modification is for anything other than construction or A/E services, you must complete a DD1057 feeder sheet if the dollar amount is $25,000 or less before you approve it. Refer to Appendix C for instructions. If the modification is for construction or A/E services, you must do a DD350, irrespective of dollar value (see Appendix C). In these instances you do NOT do a DD1057 also.
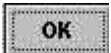
2. Approving the modification

1. Click the SF30 icon to highlight it.

2. Click on the toolbar.

3. When the approval template screen comes up, select the appropriate template.
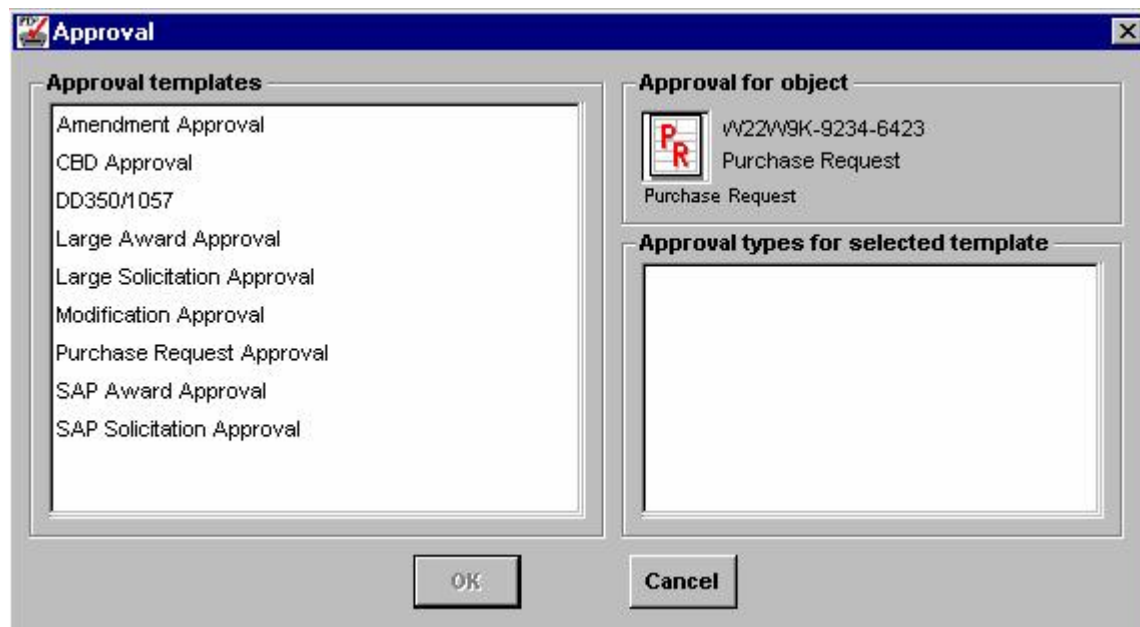
(in this case, the correct template is "Modification Approval").

4. When the approval sheet appears, click **Preapproval** to check the modification for potential errors. A list of common error messages and their solutions is in Appendix D.

5. Click ▼ next to the window and change "Unapproved" to "Approved".

6. Click **OK**. If this is a bilateral modification, you will be asked if you want to give it a number:
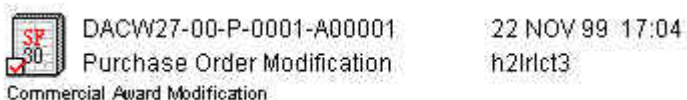

7. Click **Yes**. You will see another box asking you the type of modification.
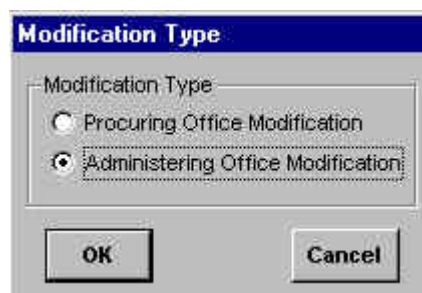
The default is "Procuring Office Modification" – click the radio button next to "Administering Office Modification" so that the system will generate an "A" number.

NOTE: Modifications are numbered in the order in which they are approved. You may have several modifications "in process", but their numbers will depend upon the order in which they are finalized and approved in PD^2.

The approval sheet will close, the SF30 icon will have a red checkmark in the lower left corner and the "A" number will appear.

DACW27-00-P-0001-A00001   22 NOV 99 17:04
Purchase Order Modification   h2lrlct3
Commercial Award Modification

3. Releasing the modification

Only a warranted contracting officer (or ACO) may release a modification, and only if the dollar amount is within his or her limit. To release a modification the ACO should follow these steps.

1. Click *Procurement* on the menu bar to produce the dropdown menu.
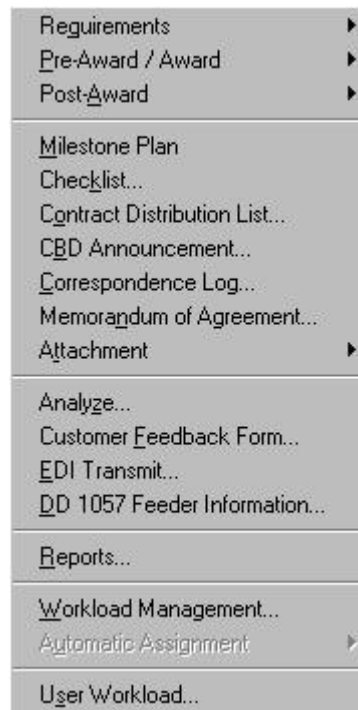
2. Click *Post-Award* to produce the next dropdown menu:

3. Click *Release Modification*. If the modification was created as a bilateral agreement (see above), the following box appear on the screen:

4. Click **No**.

5. The system will check the modification and when it is completed, you will see a "Released" stamp appear on the screen:

6. To print the modification, highlight it and click [printer icon]. The document will print at the same printer that your e-mail and word-processing documents print. If you have difficulties printing, refer to Appendix E.